

Bond No. CGB760289

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

TIME INC., HEARST CORPORATION, ADVANCE  
MAGAZINE PUBLISHERS INC., AMERICAN  
MEDIA, INC., HACHETTE FILIPACCHI MEDIA  
U.S., INC., THE MCGRAW-HILL COMPANIES,  
INC., NEWSWEEK, INC., SOURCE INTERLINK  
MAGAZINES, LLC, REED BUSINESS  
INFORMATION, A DIVISION OF REED  
ELSEVIER INC., VARIETY, INC., REED ELSEVIER  
PROPERTIES INC., BONNIER CORPORATION, ZIFF  
DAVIS PUBLISHING HOLDINGS INC., FORBES  
LLC, REIMAN MEDIA GROUP, INC., RD LARGE  
EDITION, INC., HOME SERVICE PUBLICATIONS,  
INC. and READER'S DIGEST LATINOAMERICA SA,

Plaintiffs,

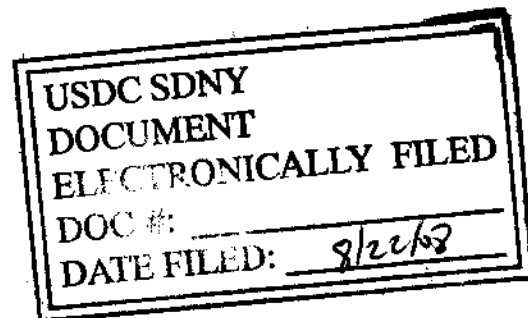
-against-

DARREN ANDREW BUDD, SALVEO LIMITED,  
CYBERNET COMMUNICATIONS, INC.  
SWITCHWORKS TECHNOLOGIES, INC.;  
HAMIDULLA GHUMAL ABBAS, YOAV  
SCHWARTZ, RICK ROSS and JOHN DOES 1-20,

Defendants.

**UNDERTAKING ON  
PRELIMINARY INJUNCTION**

Index No. 08CIV7392 (WHP)



WHEREAS, the Plaintiffs, TIME INC., HEARST CORPORATION, ADVANCE MAGAZINE PUBLISHERS INC., AMERICAN MEDIA, INC., HACHETTE FILIPACCHI MEDIA U.S., INC., THE MCGRAW-HILL COMPANIES, INC., NEWSWEEK, INC., SOURCE INTERLINK MAGAZINES, LLC, REED BUSINESS ELSEVIER PROPERTIES INC., BONNIER CORPORATION, ZIFF DAVIS PUBLISHING HOLDINGS INC., FORBES LLC, REIMAN MEDIA GROUP, INC., RD INFORMATION, A DIVISION OF REED ELSEVIER INC., VARIETY, INC., REED LARGE EDITION, INC., HOME SERVICE PUBLICATIONS, INC. and READER'S DIGEST LATINOAMERICA SA, above named are about to apply or have applied for a Preliminary Injunction in the above entitled action, restraining the Defendants DARREN ANDREW BUDD, SALVEO LIMITED, CYBERNET COMMUNICATIONS, INC. SWITCHWORKS TECHNOLOGIES, INC.; HAMIDULLA GHUMAL ABBAS, YOAV SCHWARTZ, RICK ROSS and JOHN DOES 1-20, as more fully described in the Court Order dated August 21, 2008.

NOW, THEREFORE, the Fidelity and Deposit Company of Maryland, having an office and principal place of business for the State of New York at 165 Broadway, New York, NY 10006

does hereby, pursuant to the Statute in such case made and provided, undertake that the Plaintiff(s) will pay to the Defendant(s) Darren Andrew Budd, Salveo Limited, Cybernet Communications, Inc., et al.

so enjoined, such damages and costs not exceeding the sum of TEN THOUSAND AND NO/100 Dollars (\$ 10,000.00), as Darren Andrew Budd, Salveo Limited, Cybernet Communications, Inc., et al may sustain by reason of the injunction, if the Court shall finally decide that the Plaintiff(s) is/are not entitled thereto; such damages and costs to be ascertained by a reference, or otherwise as the Court shall direct.

4/15PM Dated August 22, 2008

Approved 8/22/08  
J. Michael M. Mahan  
Clerk  
3/11/08  
Sept 11/08

Fidelity and Deposit Company of Maryland  
By David J. Smith Attorney-in-Fact

ACKNOWLEDGMENT OF SURETY

STATE OF NEW YORK }

COUNTY OF New York } ss:

On the 22nd day of August in year 2008 before me personally came  
David J. Smith to me known, who being by me duly sworn, did

depose and say that he/she resides at \_\_\_\_\_,  
that he/she is the Attorney-in-Fact of Fidelity and Deposit Company of Maryland, the  
corporation described in and which executed the above instrument; that he/she knows the corporate seal of said  
corporation, that the seal affixed to such instrument is such corporate seal: that it was so affixed by order of the  
Board of Directors of said corporation, and, that he/she signed his/her name thereto by like order; and that said  
corporation is duly authorized to transact business in the State of New York in pursuance of the statutes of such  
case made and provided, that the Superintendent of insurance of the State of New York, has, pursuant to Chapter  
28 of the Consolidated Laws of the State of New York, known as the Insurance Law, issued to  
Fidelity and Deposit Company of Maryland

a Certificate of Solvency and qualification to become surety or guarantor on all bonds, undertakings,  
recognizances, guaranties and other obligations required or permitted by law and that such certificate has not been  
evoked.

  
\_\_\_\_\_  
Notary Public

**KAREN McMULLIN**  
Notary Public, State of New York  
No. 01MC994575  
Qualified in Queens County  
Certificate Filed in New York County  
Commission Expires March 20, 2011

**Power of Attorney**  
**FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by FRANK E. MARTIN JR., Vice President, and GERALD F. HALEY, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint **David J. SMITH, Lucy WONG, Lourdes SCHEEL, Kevin TAUNTON, Eleanor SMITH and Peter M. QUINN**, all of New York, New York, **EACH** its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings**, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of Thomas M. WHEITEMORE, David J. SMITH, Lucy WONG, Lourdes SCHEEL, Joyann HURTLE, Kevin TAUNTON, Eleanor SMITH, dated March 14, 2005.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 6th day of November, A.D. 2006.

ATTEST:

**FIDELITY AND DEPOSIT COMPANY OF MARYLAND**



*Gerald F. Haley*

By:

*Frank E. Martin Jr.*

Gerald F. Haley Assistant Secretary

Frank E. Martin Jr.

Vice President

State of Maryland } ss:  
 City of Baltimore }

On this 6th day of November, A.D. 2006, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came FRANK E. MARTIN JR., Vice President, and GERALD F. HALEY, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



*Dennis R. Hayden*

Dennis R. Hayden

Notary Public

My Commission Expires: February 1, 2009

**FIDELITY AND DEPOSIT COMPANY**

OF MARYLAND  
3910 KESWICK ROAD, BALTIMORE, MD 21211-2226

**Statement of Financial Condition  
As Of December 31, 2007**

**ASSETS**

Bonds .....	\$ 152,119,394
Stocks .....	43,598,075
Cash and Short Term Investments .....	58,417,758
Reinsurance Recoverable .....	20,969,268
Other Accounts Receivable .....	40,255,904
<b>TOTAL ADMITTED ASSETS .....</b>	<b>\$ 315,360,399</b>

**LIABILITIES, SURPLUS AND OTHER FUNDS**

Reserve for Taxes and Expenses .....	\$ 875,904
Ceded Reinsurance Premiums Payable .....	70,455,734
Securities Lending Collateral Liability .....	43,430,120
<b>TOTAL LIABILITIES .....</b>	<b>\$ 114,761,758</b>
Capital Stock, Paid Up .....	\$ 5,000,000
Surplus .....	195,598,641
Surplus as regards Policyholders .....	200,598,641
<b>TOTAL .....</b>	<b>\$ 315,360,399</b>

Securities carried at \$34,597,845 in the above statement are deposited as required by law.

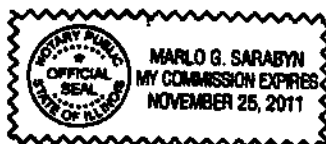
Securities carried on the basis prescribed by the National Association of Insurance Commissioners. On the basis of December 31, 2007 market quotations for all bonds and stocks owned, the Company's total admitted assets would be \$315,825,091 and surplus as regards policyholders \$201,063,333.

I, DAVID A. BOWERS, Corporate Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing statement is a correct exhibit of the assets and liabilities of the said Company on the 31st day of December, 2007.

  
\_\_\_\_\_  
Corporate Secretary

State of Illinois }  
City of Schaumburg } SS:

Subscribed and sworn to, before me, a Notary Public of the State of Illinois, in the City of Schaumburg, this 14th day of March, 2008.



  
\_\_\_\_\_  
Notary Public

STATE OF NEW YORK  
INSURANCE DEPARTMENT

It is hereby certified that

Fidelity & Deposit Company of Maryland  
of Baltimore, Maryland

a corporation organized under the laws of the State of Maryland and duly authorized to transact the business of insurance in this State, is qualified to become surety or guarantor on all bonds, undertakings, recognizances, guaranties and other obligations required or permitted by law; and that the said corporation is possessed of a capital and surplus including gross paid-in and contributed surplus and unassigned funds (surplus) aggregating the sum of \$197,255,272.00 (Capital \$5,000,000.00) as is shown by its sworn financial statement for the year ended March 31, 2007 on file in this Department, prior to audit.

The said corporation cannot lawfully expose itself to loss on any one risk or hazard to an amount exceeding 10% of its surplus to policyholders, unless it shall be protected in excess of that amount in the manner provided in Section 4118 of the Insurance Law of this State.



In Witness Whereof, I have here-  
unto set my hand and affixed the  
official seal of this Department  
at the City of Albany, this 18th  
day of July, 2007.

Eric R. Dinallo  
Superintendent of Insurance

By

Salvatore Castiglione  
Special Deputy Superintendent



## Disclosure Statement

Court Bonds - BC

### ZURICH AGENT/BROKER COMPENSATION DISCLOSURE

Dear Policyholder:

On behalf of Zurich, we are glad you have chosen us as your insurance company. We look forward to meeting your insurance needs and want you to understand clearly our business relationship with the agent or broker you chose to represent your company's interests in the placement of insurance coverages.

As is the case with many insurance companies in the United States, Zurich distributes many of its insurance products through agents or brokers. This means that your agent or broker is not employed by Zurich and, in fact, may represent many insurance companies. Because we do not employ your agent or broker, the way they are compensated may vary. We recommend you discuss these arrangements with your agent or broker.

Like many other insurers, when Zurich compensates your agent or broker, they may receive two types of payments. The first type of compensation is known as "base commission," and the second is called "contingent compensation."

For an explanation of the nature and range of compensation Zurich may pay to your agent or broker in connection with your business, please go to <http://www.zurichna.com>. Click on the information link located on the Agent/Broker Compensation Disclosure section. Where appropriate, insert the Access Code provided below, and you will be able to view this information. Alternatively, you may call (877) 347-6465 to obtain this type of information.

Thank you.

Access Code: 2016104474